



AGENDA REPORT SUMMARY

Meeting Date: May 10, 2022

Subject Solid Waste Collection Rates: Consider adopting Resolution No. 2022-____, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2022; consider California Environmental Quality Act (“CEQA”) exemption finding pursuant to CEQA Guidelines Section 15273(a)

Prepared by: Aida Fairman, Engineering Services Manager

Reviewed by: James Sandoval, Engineering Services Director

Approved by: Gabriel Engeland, City Manager

Attachments:

1. Maximum Rates for Adoption (FY 2022/23)
 - A. Resolution No. 2022-____

Initiated by:

Staff, to comply with the Solid Waste Franchise Agreement

Previous Council Consideration:

May 11, May 28, 2019, May 12, 2020; May 11, 2021

Fiscal Impact:

An 8.48% increase in rates charged for service affects all ratepayers, including the City.

Environmental Review:

The adoption of increased rates is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273(a) in that CEQA does not apply to actions to set rates, tolls, fares, or other charges.

Summary

- The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the city and its franchised hauler.”

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JE



Subject: Resolution No. 2022-____: Solid Waste Rate Adjustment

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- Mission Trail Waste Systems (MTWS) manages solid waste management for the City pursuant to an Amended and Restated Collection Services Agreement entered as of April 23, 2020 (the “Franchise Agreement”).
 - Section 4.02.3 of the Franchise Agreement commits the City to increasing the maximum rates charged by MTWS by 8.48% on each July 1st of 2020, 2021, and 2022. In subsequent years, rate increases are tied to inflation and other metrics. Under Sections 4.01 and 4.02.2.6, the City Council is required to take action by resolution to effectuate rate increases in accordance with the Franchise Agreement.
 - The increase that will be applied to the existing Solid Waste Collection rates is 8.48% and is captured in the Maximum Service Rates exhibit in Attachment 1 to the staff report.

Staff Recommendation:

Adopt Resolution No. 2022-____, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2022.

Purpose

Adopt Resolution No. 2022-____, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2022.

Background

The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the city and its franchised hauler.” The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Water-Sewer-Trash Consumer Price Index, as defined below, and establishes that the next adjustment would apply to service beginning July 1, 2022.

The Franchise Agreement provides that MTWS shall charge service recipients an amount not to exceed the Maximum Service Rates (Attachment 1) approved by City Resolution as may be adjusted under the terms of the agreement.

The amended and restated Franchise Agreement was executed on April 23, 2020.

Discussion/Analysis

At its October 22, 2019 meeting, the City Council approved an extension of the Franchise Agreement concluded in 2020, which resulted in an amended and restated Franchise Agreement that specifies rate increases of 8.48% on each July 1st of 2020, 2021, and 2022. In subsequent years, annual rate adjustments will be based upon inflation and other metrics set forth in the Agreement. The Franchise Agreement commits the City to the 8.48% increase effective July 1, 2022, and requires that the City Council effectuate the increase by resolution.



Subject: Resolution No. 2022-___: Solid Waste Rate Adjustment

Recommendation

Adopt Resolution No. 2022-___, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2022.